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*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 3878)**

## **PROFIT ALERT – REDUCTION IN LOSS**

This announcement is made by Vicon Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors of the Company wishes to inform the shareholders and potential investors of the Company that, based on preliminary review of the unaudited management accounts of the Group for the year ended 31 March 2022 (the “**Current Year**”), the Group is expected to record a net loss of not less than HK\$24.5 million as compared with a net loss of approximately HK\$51.5 million for the year ended 31 March 2021.

The Board considers the expected decrease in net loss was primarily attributable to the combined effects of the following factors:

1. the outbreak of COVID-19 pandemic has continued to affect the number of construction works available in the market, and there has been fierce competition resulting in a decline in the Group’s revenue in the Current Year;
2. despite the decline in revenue, the Group recorded a gross profit as compared to a gross loss for the corresponding period in 2021 due mainly to a decrease in cost of sales driven by the non-occurrence of one off additional cost incurred for subcontractor works arising from the progress delay due to COVID-19 pandemic to catch up the work program of a certain project completed in 2021;
3. the Group recorded an increase in administrative expenses due to increases in direct staff costs and unallocated depreciation on machinery and equipment not used in construction projects; and
4. the increase of impairment losses on financial assets mainly related to unrecoverable amounts from projects completed in prior years.

The Board considers that despite the expected net loss for the Current Year, the Group's financial position remains sound with sufficient working capital. Looking forward, the Board will continue to review the Group's operations and strategies from time to time to meet the challenges ahead.

The Company is still in the process of finalising the annual results of the Group for the Current Year. The information contained in this announcement is based on a preliminary assessment by the Company's management with reference to the information currently available and the unaudited consolidated management accounts of the Group for the Current Year. Such accounts have not been audited by the Company's auditor and have not been reviewed by the Company's audit committee and may be subject to adjustment. Shareholders of the Company and potential investors are advised to read the announcement of the annual results of the Company for the Current Year carefully, which is expected to be published in late June 2022.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By Order of the Board  
**VICON HOLDINGS LIMITED**  
**CHOW Kwok Chun**  
*Chairman*

Hong Kong, 16 June 2022

*As at the date of this announcement, the executive Directors are Mr. CHOW Kwok Chun and Mr. LEUNG Hing Wai and the independent non-executive Directors are Mr. IP Ka Ki, Mr. CHAN Wai Kit and Mr. TSE Ka Ching Justin.*